



General Assembly

Substitute Bill No. 5451

February Session, 2014



AN ACT CONCERNING HEALTH CARE POOLING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2014*) (a) Not later than October 1,
2 2015, and annually thereafter, each municipality that sponsors a group
3 health policy or plan for its active employees, early retirees and
4 retirees that provides coverage of the type specified in subdivisions (1),
5 (2), (4), (11), (12) and (16) of section 38a-469 of the general statutes shall
6 submit electronically to the State Comptroller, in a form prescribed by
7 the Comptroller, the following information for the policy or plan year
8 immediately preceding:

9 (1) A list of each type of group health policy or plan offered to the
10 municipality's employees, early retirees and retirees and specific
11 details for each such policy or plan, including, but not limited to:

12 (A) Covered benefits and any limits on such benefits;

13 (B) (i) The total premium costs or if applicable premium equivalent
14 costs for each policy or plan, organized by coverage tier, including, but
15 not limited to, single, two-person and family including dependents for
16 active employees, early retirees and retirees, and (ii) the employee
17 share, the early retiree share and the retiree share of each such total
18 premium cost;

19 (C) Employee, early retiree and retiree cost-sharing requirements
20 such as coinsurance, copayments, deductibles and other out-of-pocket
21 expenses associated with in-network and out-of-network providers;
22 and

23 (D) If a municipality sponsors a prescription drug plan, the value of
24 any rebates or cost reductions provided to such municipality for such
25 plan;

26 (2) A list of the total number of employees, early retirees and
27 retirees in each policy or plan, organized by (A) municipal department,
28 (B) collective bargaining unit, if applicable, (C) coverage tier,
29 including, but not limited to, single, two-person and family including
30 dependents, and (D) active employee, early retiree or retiree status;
31 and

32 (3) For the two policy or plan years immediately preceding, the
33 percentage increase or decrease in the policy or plan costs, calculated
34 as the total premium costs, inclusive of any premiums or contributions
35 paid by active employees, early retirees and retirees, divided by the
36 total number of active employees, early retirees and retirees covered
37 by such policy or plan.

38 (b) No municipality submitting information pursuant to subsection
39 (a) of this section shall include health information in such information.

40 Sec. 2. Section 38a-513f of the general statutes is repealed and the
41 following is substituted in lieu thereof (*Effective July 1, 2014*):

42 (a) As used in this section:

43 (1) "Claims paid" means the amounts paid for the covered
44 employees of an employer by an insurer, health care center, hospital
45 service corporation, medical service corporation or other entity as
46 specified in subsection (b) of this section for medical services and
47 supplies and for prescriptions filled, but does not include expenses for
48 stop-loss coverage, reinsurance, enrollee educational programs or

49 other cost containment programs or features, administrative costs or
50 profit.

51 (2) "Employer" means any town, city, borough, school district,
52 taxing district or fire district employing more than fifty employees.

53 (3) "Utilization data" means (A) the aggregate number of procedures
54 or services performed for the covered employees of the employer, by
55 practice type and by service category, or (B) the aggregate number of
56 prescriptions filled for the covered employees of the employer, by
57 prescription drug name.

58 (b) (1) Each insurer, health care center, hospital service corporation,
59 medical service corporation or other entity delivering, issuing for
60 delivery, renewing, amending or continuing in this state any group
61 health insurance policy providing coverage of the type specified in
62 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 shall:

63 [(1)] (A) Not later than October first, annually, provide to an
64 employer sponsoring such policy, free of charge, the following
65 information for the most recent thirty-six-month period or for the
66 entire period of coverage, whichever is shorter, ending not more than
67 sixty days prior to the date of the request, in a format as set forth in
68 [subdivision (3)] subparagraph (C) of this [subsection] subdivision:

69 [(A)] (i) Complete and accurate medical, dental and pharmaceutical
70 utilization data, as applicable;

71 [(B)] (ii) Claims paid by year, aggregated by practice type and by
72 service category, each reported separately for in-network and out-of-
73 network providers, and the total number of claims paid;

74 [(C)] (iii) Premiums paid by such employer by month; and

75 [(D)] (iv) The number of insureds by coverage tier, including, but
76 not limited to, single, two-person and family including dependents, by
77 month;

78 [(2)] (B) Include in such information specified in [subdivision (1)]
79 subparagraph (A) of this [subsection] subdivision only health
80 information that has had identifiers removed, as set forth in 45 CFR
81 164.514, is not individually identifiable, as defined in 45 CFR 160.103,
82 and is permitted to be disclosed under the Health Insurance Portability
83 and Accountability Act of 1996, P.L. 104-191, as amended from time to
84 time, or regulations adopted thereunder; and

85 [(3)] (C) Provide such information [(A)] (i) in a written report, [(B)]
86 (ii) through an electronic file transmitted by secure electronic mail or a
87 file transfer protocol site, or [(C)] (iii) through a secure web site or web
88 site portal that is accessible by such employer.

89 [(c)] (2) Such insurer, health care center, hospital service
90 corporation, medical service corporation or other entity shall not be
91 required to provide such information to the employer more than once
92 in any twelve-month period.

93 [(d) (1)] (3) (A) Except as provided in [subdivision (2)]
94 subparagraph (B) of this [subsection] subdivision, information
95 provided to an employer pursuant to [subsection (b) of this section]
96 subdivision (1) of this subsection shall be used by such employer only
97 for the purposes of obtaining competitive quotes for group health
98 insurance or to promote wellness initiatives for the employees of such
99 employer.

100 [(2)] (B) Any employer may provide to the Comptroller upon
101 request the information disclosed to such employer pursuant to
102 subsection (b) of this section. The Comptroller shall maintain as
103 confidential any such information.

104 [(e)] (4) Any information provided to an employer in accordance
105 with [subsection (b) of this section] subdivision (1) of this subsection or
106 to the Comptroller in accordance with [subdivision (2)] subparagraph
107 (B) of [subsection (d)] subdivision (3) of this [section] subsection shall
108 not be subject to disclosure under section 1-210. An employee

109 organization, as defined in section 7-467, that is the exclusive
110 bargaining representative of the employees of such employer shall be
111 entitled to receive claim information from such employer in order to
112 fulfill its duties to bargain collectively pursuant to section 7-469.

113 ~~[(f)]~~ (c) If a subpoena or other similar demand related to information
114 provided pursuant to subsection (b) of this section is issued in
115 connection with a judicial proceeding to an employer that receives
116 such information, such employer shall immediately notify the insurer,
117 health care center, hospital service corporation, medical service
118 corporation or other entity that provided such information to such
119 employer of such subpoena or demand. Such insurer, health care
120 center, hospital service corporation, medical service corporation or
121 other entity shall have standing to file an application or motion with
122 the court of competent jurisdiction to quash or modify such subpoena.
123 Upon the filing of such application or motion by such insurer, health
124 care center, hospital service corporation, medical service corporation
125 or other entity, the subpoena or similar demand shall be stayed
126 without penalty to the parties, pending a hearing on such application
127 or motion and until the court enters an order sustaining, quashing or
128 modifying such subpoena or demand.

129 (d) (1) Not later than October 1, 2014, and annually thereafter, each
130 insurer, health care center, hospital service corporation, medical
131 service corporation or other entity delivering, issuing for delivery,
132 renewing, amending or continuing in this state any group health
133 insurance policy sponsored by an employer and providing either
134 administrative services only or providing coverage of the type
135 specified in subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-
136 469 shall submit to the Comptroller the information set forth in
137 subparagraphs (A)(i) and (A)(ii) of subdivision (1) of subsection (b) of
138 this section for the policy year immediately preceding for each such
139 employer.

140 (2) Such information shall be submitted electronically to the
141 Comptroller, in a form prescribed by the Comptroller, regardless of

142 whether an employer requests such information pursuant to
143 subparagraph (A) of subdivision (1) of subsection (b) of this section.
144 Disclosure of any such information to the Comptroller pursuant to this
145 subsection shall be made in compliance with subparagraph (B) of
146 subdivision (1) of subsection (b) of this section.

147 (3) The Comptroller shall maintain any information disclosed in
148 accordance with this subsection as confidential and such information
149 shall not be subject to disclosure under section 1-210.

150 (e) Not later than January 1, 2016, and annually thereafter, the
151 Comptroller shall submit a report, in accordance with section 11-4a, to
152 the joint standing committees of the General Assembly having
153 cognizance of matters relating to appropriations, insurance, labor and
154 planning and development, that provides estimated costs or savings
155 for each employer or municipality for which information was
156 submitted pursuant to subsection (d) of this section and section 1 of
157 this act if such employer was to obtain health benefits coverage of the
158 type specified in subdivisions (1), (2), (4), (11), (12) and (16) of section
159 38a-469 from the group hospitalization and medical and surgical
160 insurance plans established under subsection (a) of section 5-259.

161 Sec. 3. (*Effective July 1, 2014*) (a) With respect to the group
162 hospitalization and medical and surgical insurance plans established
163 under subsection (a) of section 5-259 of the general statutes, on and
164 after July 1, 2014, and until June 30, 2015:

165 (1) The office of the State Comptroller shall have the authority to
166 convene a working group, including, but not limited to, (A) to the
167 extent applicable, health insurance companies, health care centers,
168 hospital service corporations, medical service corporations or other
169 entities delivering, issuing for delivery, renewing, amending or
170 continuing such plans, (B) third-party administrators providing
171 administrative services only for such plans pursuant to subdivision (2)
172 of subsection (m) of section 5-259 of the general statutes, (C) health
173 care providers, (D) health care facilities, (E) the Office of Policy and

174 Management, and (F) state employees and retirees, to facilitate the
175 development and establishment of health care provider payment
176 reforms for the group hospitalization and medical and surgical
177 insurance plans established under subsection (a) of section 5-259 of the
178 general statutes, including, but not limited to, multipayer initiatives,
179 patient-centered medical homes, primary care case management,
180 value-based purchasing and bundled purchasing. Any participation by
181 such entities and individuals shall be on a voluntary basis.

182 (2) (A) The Comptroller, or the Comptroller's designee, may (i)
183 conduct a survey of the entities and individuals specified in
184 subparagraphs (A) to (D), inclusive, of subdivision (1) of this
185 subsection, concerning payment delivery reforms, and (ii) convene
186 meetings of the working group at a time and place that is convenient
187 for the entities and individuals specified in subparagraphs (A) to (F),
188 inclusive, of subdivision (i) of this subsection.

189 (B) The Comptroller, or the Comptroller's designee, shall ensure that
190 no such survey or working group participants shall solicit, share or
191 discuss pricing information.

192 (C) (i) Any survey conducted pursuant to subparagraph (A) of this
193 subdivision shall not be a violation of chapter 624 of the general
194 statutes or subject to disclosure under section 1-210 of the general
195 statutes.

196 (ii) Any meeting convened pursuant to subparagraph (A) of this
197 subdivision shall not be a violation of chapter 624 of the general
198 statutes or constitute a meeting for the purposes of chapter 14 of the
199 general statutes.

200 (3) (A) If the Comptroller determines that entering a cooperative
201 agreement with any of the entities or individuals specified in
202 subparagraphs (A) to (D), inclusive, of subdivision (1) of this
203 subsection will likely produce efficiencies and improvements in health
204 care outcomes, the Comptroller may enter into one or more such

205 agreements to (i) identify and reward high quality, low-cost health
 206 care providers, (ii) create enrollee incentives to receive care from such
 207 providers, and (iii) create enrollee incentives to promote personal
 208 health behaviors that will prevent or effectively manage chronic
 209 diseases, including, but not limited to, tobacco cessation, weight
 210 control and physical activity.

211 (B) The Comptroller may establish guidelines for such cooperative
 212 agreements. Any such agreement shall be consistent with federal
 213 antitrust laws and regulations promulgated by the Federal Trade
 214 Commission and chapter 624 of the general statutes.

215 (b) Not later than January 1, 2016, the Comptroller shall submit a
 216 report, in accordance with section 11-4a of the general statutes, to the
 217 joint standing committees of the General Assembly having cognizance
 218 of matters relating to appropriations, labor and public health on the
 219 recommendations of any working group convened by the Comptroller
 220 pursuant to subsection (a) of this section. Such report shall include, but
 221 not be limited to, (1) (A) any cost containment measures, and (B)
 222 descriptions of any quality measurement or quality improvement
 223 initiatives implemented as a result of the recommendations of such
 224 working group, and (2) any cost savings or health outcome
 225 improvements associated with such measures or initiatives.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	New section
Sec. 2	<i>July 1, 2014</i>	38a-513f
Sec. 3	<i>July 1, 2014</i>	New section

LAB *Joint Favorable Subst.*